

FISCAL NOTE

SB 2641 – HB 2639

January 24, 2008

SUMMARY OF BILL: Increases the aggregate amount of bonds from \$2,050,000,000 to \$2,930,000,000 that the Tennessee Housing Development Agency (THDA) can have outstanding at any given time.

ESTIMATED FISCAL IMPACT:

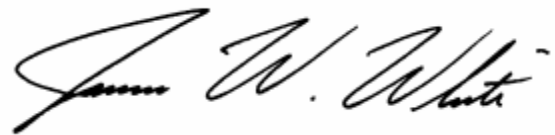
Increase State Revenue – Not Significant

Assumptions:

- Annual debt service for the Agency could increase as a result of this bill. However, T.C.A. 13-23-124(a)(1) provides that debt issued by THDA does not constitute a debt, liability, or obligation of the state or any other political subdivision thereof, nor a pledge of the full faith and credit of the state or any political subdivision, but shall be payable solely from the revenue or assets of the agency.
- Realty transfer tax revenue could increase if THDA issues additional debt as a result of this bill and that debt issuance is used to make additional capital available in the marketplace and that additional capital leads to an increased number of property transfers. However, the Department of Revenue has indicated that such impact would be considered not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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